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BUDGET SPEECH

—OF—

HON. J. H. TURNER.

Hon. Mr. TURNER moved that the house go into committee of supply, and proceeded to deliver the annual Budget Speech. He said: In moving the resolution for going into committee of supply I propose to follow the method that has been adopted for several years past, as, though that method may be open to censure on the ground that there is much sameness in it—yet taking into consideration the subject under review, I think it is the most straightforward and simple, and places the matter which we shall consider in a clear way before this house and the country. This method is to take up first the Public Accounts report to 30th June last—the end of the last fiscal year; passing these accounts in review, then taking a glance at the business of the present year, which will terminate on the 30th June next, with a view especially to considering what resources will be left over at the end of this year for the work of the future. We shall then turn to the subject which is more particularly the business of the committee of supply which we propose to go into, that is the expenditure for the coming fiscal year commencing on the 1st July next, and the revenue by which that expenditure will be provided for.

To turn now to the Public Accounts for the past year. We see that the revenue amounted to \$1,019,206, or \$36,258 less than the estimate we made of it at the commencement of 1892, and which was voted in this house during that session. It will be noticed on referring to the accounts that there was a fall off of revenue from the estimate under the heads of wild land tax \$37,000, provincial revenue tax, \$10,000, real property tax, \$19,000, timber royalties, \$35,000, timber leases, etc., \$12,000, land sales, \$20,000. The declension under the head of wild land tax and real property tax is to be mainly accounted for by the fact that new township municipalities were formed and these taxes became the revenue of the municipalities, and the fall off under revenue tax by that tax now going to the cities for school purposes. At the time the estimates were made the municipalities had not been formed, consequently this fall off could not be provided against. It points, however, to the fact that it is of the utmost importance in the formation of municipalities that they should come into existence at

such a time of year as would prevent the collection of taxes within their limits conflicting with the Government assessment. It is to be noted that as these municipalities get into thorough working they will, as a contra to absorbing provincial revenue, pay for their own public works, thus reducing the provincial expenditure to that extent. The loss of revenue, however, must be felt before the gain from decreased expenditure is experienced.

The reduction under timber licenses and royalties is accounted for by the very bad state of the timber trade during the last two years. It was felt that if the Government pressed the lumbering industry for the payment of their licenses and royalties it might have the effect, in the depressed state of trade, of seriously crippling this most important industry, and possibly closing several of the mills, which for some time have only been kept open to prevent the loss arising from closing, and not for any profit they could make. Any severe action of the Government at such a time might have been the means of throwing many men out of employment.

These charges, however, stand against the various properties and are good assets, and will no doubt be paid as trade improves, of which there are good indications. The fall off under the head of land sales, it is hardly necessary to state, is accounted for by the change in the land act, which prevents the sale of wild lands. The question of the best method of dealing with public lands we find is giving trouble in other provinces, and it is a subject of vital importance to new countries. Some have adopted the plan of perpetual leases, and it is said that very great success has attended this movement. There are, however, many who dispute this, and assert that it has not been in force long enough to be proved, and that if it is a success in some colonies still the conditions of British Columbia are so varied and so different from those, for instance of New Zealand, that it is doubtful if success would attend such an experiment here.

It will be observed that the sums that I have referred to greatly exceed the total fall off in the revenue from the amount estimated. To account for this we have to turn to the other side, where we find that

there are very considerable increases of revenue over the amount estimated. Amongst these appear mining receipts in excess by \$16,000, registry fees, \$18,000, probate fees, \$3,000, licenses, \$8,000, and increase of subsidy from the Dominion, \$8,000, and several other increases of minor importance. Those increases arising under the heads of mining are very satisfactory. They are caused by very important developments being made in our mining districts, particularly in Kootenay. Similar developments are also now being extended to other parts of the province, notably in the direction of old Cariboo, where a large amount of capital is now being expended for the placing of apparatus and plant for the carrying on of large hydraulic mines, and there is a very good prospect that that portion of our province will again be contributing an important amount of gold to the world. The increase under licenses is also an indication of new settlements in the province. There is a large increase, however, of quite another nature, and one which probably will be repugnant to many of our citizens—I refer to \$25,000 under the head of Chinese restriction tax. I think, however, that although this indicates a large arrival of Chinese in the province, it does not at all prove that there is any increase of that element in the population, as we have every reason to believe that fully as many, or possibly a good many more, have left the province than have entered it. We believe that Washington Territory and Oregon are to a great extent supplied through this channel. We know that there are a very large number on the Columbia river, as there are twenty-three salmon canneries on that river, every one of which is run by Chinese contractors. The two or three canneries that formerly employed white labour have been compelled to close, owing to the fact that they could not compete with the Alaska pack under such conditions.

Turning now to the expenditure in the same year, we find that the estimate made of it was \$1,369,634, whilst the actual expenditure amounted to \$1,431,438—an excess over the estimates of \$61,804. This excess of expenditure over what it was estimated at arose very largely from public works, some \$42,000 being over expended on roads, streets, and bridges, and \$15,000 on surveys, these works being rendered necessary by the condition of the country and the desire of the Government to promote the welfare of the people. There was also a very considerable increase under the head of miscellaneous. This arose largely in connection with the health act. As you are aware, the Government took very active measures to prevent the introduction of disease into the province, and its efforts proved eminently successful. The over expenditure under this head was \$18,000. There were some other heads of excess of expenditure of minor importance.

On the other hand some votes were not fully expended. I have said that the total revenue was \$1,019,206 and the total expenditure \$1,431,438, an excess of expenditure over revenue of \$412,232, and I know some of our friends who are so very anxious to show that this Government is rapidly running the country into debt will point to this as a confirmation of their widely proclaimed statement. But, sir, they must bear in mind that at the commencement of that fiscal year to which we are referring we had on hand some \$750,000, which had been borrowed to be expended on such public works as it has been applied to, and that at the end of the year there was still a satisfactory balance to the good.

We will now turn to the present fiscal year, commencing 1st July last. At that time we had in cash at bank or in agents' hands an amount available of \$375,266 to commence the year, being the balance I have just referred to. Since that time we have received from the Nakusp & Slokan railroad a deposit of \$118,400, and in addition to this sum we have the revenue for the year terminating 30th June next, estimated at \$1,058,592, or a total of \$1,552,358 to carry on the work of the present year. Against this there is the expenditure as voted for this year to 30th June next, \$1,277,157, and the supplementary to be voted for special warrants, \$81,180; total of \$1,358,338; showing a balance to good of \$191,021. To deduct, however, from this will be the addition to supplementary estimates for public works, to be now voted, which are in your hands, amounting, after allowing for lapsed balances, to about \$38,820 more, and the payments for interest on railway guarantees about to be provided for, \$60,000. After these deductions are made there is still a balance on the credit side for the 30th June next of about \$100,000. If we now, Mr. Speaker, refer to the estimates for that year, which are in your hands, commencing 1st July next, it will be seen that the revenue is placed at \$1,178,149.45. In addition to this we have the funds available at the end of this year, estimated, as before stated, at \$100,000, but in order to provide for contingencies we have placed this amount at only \$90,000, thus giving us total available funds of \$1,268,149. These estimates of receipts have been very carefully gone into. It will be observed that there is a slight increase under the head of per capita grant, amounting to some \$2,400. We estimate, also, that there will be an increase over the past year's receipts from mining revenues, amounting to about \$4,000; under licenses, some \$2,600, and under the headings of real and personal property, wild land and revenue tax an increase of \$50,000. These, with the exception of the revenue tax, are actual assessments. On the other hand there will be a decline under the head of land sales, of

some \$29,000 from the actual receipts of last year, arising from the causes already indicated, and on the registry fees, which depend largely on land sales, a decrease of some \$8,000. We also calculate a considerable fall off under the hand of Chinese restriction. Included in this revenue is the sum of \$130,000, arising from the conversion of the loans of 1877 and 1887, which amount and possibly more will be at our disposal on 30th June next. I shall allude to this subject again further on. We take up now the expenditure for the same year, and find that it is placed at \$1,237,648, included in this being the sum of \$343,950 for public works in addition to the public works to be voted in the supplementary estimate, amounting to \$87,000, which we have already taken consideration of in the expenditure for the present financial year. It is hardly necessary, I think, to go through all the amounts of expenditure. I may very briefly refer to them under their headings in the summary. Under public debt there is an increase over the amount estimated for the present year of some \$30,000. This arises partly from an under-estimate last year respecting conversion, and \$23,997 of it on account of new loan. Under civil government salaries the expenditure is estimated at about \$12,000 under that of the present year. Under administration of justice salaries there is a reduction of about \$6,000. These reductions have been made after most careful consideration of the circumstances. It is of the utmost importance that the business of the country should be carried on in an efficient manner, and in order to effect this it is absolutely necessary that good men should be employed, and that they should be properly paid. The expenses under these heads must be large in proportion to that of other countries, owing to the character of the country, its vast extent and small population, and the nature of its industries. Wherever new mining camps are opened it is imperative to have Government officers to take charge of the business, and officers of justice to look after the safety of the district, and the expenditure on these to a great extent precedes any revenue that the country can obtain from the opening of new mines. But though the cost of civil government salaries and administration of justice salaries seems large, we find on examination that it is less in proportion now to the work done and the revenue than it was some years since, that is, the business of the country is carried on at a cheaper rate. It has cost for the last four years for the average of salaries for that time 14.43 per cent. in the average revenue in the same time, and in comparison with the cost of conducting business enterprises, such as insurance and other companies, this looks very reasonable, as the cost for life insurance companies is about 19½ per cent. to income, and fire and marine

about 33 per cent. Under legislation there is an increase of some \$9,000. This arises mainly from the sums to be used in connection with the approaching election. For public institutions, hospitals, and charities the expenditure is about the same for the present year. Administration of justice we have estimated at some \$5,000 under, but this is a subject that we cannot control and which it is very difficult to estimate. It may be largely under our estimate or it may be considerably over. For education, it will be seen, we have provided about \$3,000 more than for the current year. This line of expenditure is one that is steadily going up. We find that children are rapidly increasing in the province, and the demand for schools keeps pace with this increase. Under the head of public works there is a considerable increase of expenditure for roads, bridges, etc., and to this are to be added considerable sums, which appear in the supplementary estimate. This large vote is for carrying out the Government policy of opening up the country. We are persuaded that it is only by such means that we can increase our population and add to the wealth of the province, and we feel confident that every dollar expended in this way will, in a few years, be returning very good interest into the Provincial treasury, and enable succeeding Governments to still further prosecute this work of developing the resources of British Columbia. It will be observed that this expenditure is very large in the Kootenay District, which is now so rapidly going ahead. For several years past we have been driving trails and roads through this section of the province. Owing to the character of the country these works are very costly, but it is already evidenced by the increase in revenue from that district that it was wise to execute them. We may refer in passing to the actual increase of revenue in that district. In 1886 it amounted to \$45,052, whilst last year the amount received from Kootenay was \$91,050. Whilst making this large expenditure in this district, it will be seen that all other districts in the province are carefully looked after, the determination being to do justice to all.

As already stated, the available funds for next year amount to \$1,268,149, and the expenditure to \$1,237,648, showing that we are still well within our means, and that the loan which was raised in 1891, and which honourable gentlemen on the opposite side were convinced would all be expended before the end of 1892, has really been very carefully appropriated, and it must be gratifying to those gentlemen to know that it has lasted well through their time. I will now, Mr. Speaker, review the general financial position of the province as shown by our public accounts, and in doing so I think it only right to consider the amount of money that has been borrowed by the

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present and preceding Government, the purposes for which it was borrowed, and the way in which it has been expended. In 1887, during the Government of the Hon. John Robson, it was deemed advisable to raise a loan for carrying on the public works of the province, and the sum of £200,400 sterling was then borrowed at the lowest rate of interest obtainable at the time, viz., $4\frac{1}{2}$ per cent. In 1891, with a view to still further prosecuting these most important works through the country, it was deemed advisable by this House to raise a further loan, and it was considered desirable that an effort should be made at the same time to consolidate our two previous loans, one of which bore interest at 6 per cent., and the other at $4\frac{1}{2}$ per cent., and endeavour, if possible, to arrange our liabilities in such a manner that the province would be able to borrow in future at a lower rate of interest. It is quite unnecessary for me to go over the effect of that decision, as it is well known that satisfactory arrangements were made with a view to consolidating the old debts and reducing our rate of interest to three per cent., and a new loan of some £205,400 was raised at this rate of interest. The net proceeds of this loan were \$792,958. As I said before, these loans were raised for the purpose of being expended on public works, and I now propose to lay before you a statement of the work that has been done since the 1st July, 1887, with this money.

There have been built 110 school-houses, at a cost of \$174,441; 10 jails and lock-ups, \$26,985; 12 court houses, \$190,692; 595,000 acres of land surveyed, \$83,424; 1,200 miles of road, 800 miles of trail, 600 bridges, and 5,000 miles of roads and bridges kept in repair, at a cost of \$1,531,683, making a total of \$2,007,225, or a total expenditure on public works during this period of over \$2,000,000. If we deduct from this \$300,000 for repairs, we have still an expenditure of some \$1,700,000 on public works, which are now represented by assets that are fully equal to the expenditure that has been made on them. We might value the 595,000 acres of land alone at least at one dollar per acre, and this is now open for settlement and is being plotted and mapped so that the immigrant may be thoroughly informed respecting it at the Land Office. But we have to add to these assets the public works that will result from the expenditure which has now to be voted, amounting to considerably over \$400,000. This shows that the funds which we obtained from the loans referred to have been carefully expended in a manner in which the country desired and which it expressed its own opinion of through the House at the time these loans were voted on for the purpose of public works.

I know, sir, from certain indications, that there are some who will assert that the debt of the Province has very largely increased

during the last six or seven years. Well, sir, the funded debt of the province has simply been increased by the gross amount of these loans. If we turn to the balance sheet, we shall see that the public debt for all loans amounts to \$3,562,512, less sinking fund and other available assets, \$1,433,334, showing a total net debt of \$2,129,178, not more than some of our cities' debts, and this includes the loan for the public buildings, the proceeds of which are still on hand, and bringing in interest at 4 per cent. It is true, sir, that the debt of the province has increased under the authority of the vote of the Legislature, but this increase is more than compensated by the enormous increase in our assets in the form of public works, which I have already shown to amount to considerably over \$2,000,000, exclusive of the assets of same nature which were on hand before these loans were raised. Now, I judge by the rumblings in certain quarters and by the statements published in a certain section of the press that exception will be taken to the cost of raising our last loans and to the plan of conversion adopted. An endeavour was made to show that the plan adopted was a very expensive one for the country, and that we should have rested content with our old-fashioned loans at a heavy rate of interest. I propose to show that the method adopted has been a cheap one for the country, and in every way advantageous. I think that if I can show that we have had the use of \$1,700,000 more money, and are paying really less than we did before, I shall have proved that the operation is a good one. I will turn first, sir, to the effect of conversion of loans. The total interest paid by us now on all of our loans is \$128,523. The total sinking fund paid now on all loans is \$43,887—a grand total of \$172,410. If no conversion of 1877 and 1887 had taken place we should be paying now on all loans interest \$136,936, and sinking fund \$48,252, equal to \$185,226, showing a saving *through partial conversion only* of \$12,819 per annum. This sum compounded will amount to fully as much as the premium we have to pay on conversion of these loans, and, in addition, it leaves us at the present time with about \$130,000, the proportionate amount of the sinking fund for the part of the two loans converted. This amount we can add to our revenue for the coming year, and as conversion goes on a still greater saving annually will be made. We may still further illustrate this: In 1887 the total loans amounted to \$1,743,690. The actual net cash we had received from these loans was about \$1,691,000. On this we paid annually for interest and sinking fund \$122,431, equal to nearly $7\frac{1}{2}$ per cent. per annum. Since that date we have borrowed and are expending on public works a total net cash amount of \$1,317,128, and we now pay for interest and sinking fund on all

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loans, including these last, \$172,410 annually, or only \$49,979 more than we paid before borrowing these last sums. Thus we get the net cash proceeds of the last two loans \$1,317,128, for an annual payment of \$49,979, or just over 3½ per cent.; and bear in mind that this not only pays the interest but also pays off the gross amount of the loan, including all bonuses, at maturity, and in this I have also taken into consideration all the expenses attending the floating of these loans.

Now, sir, we will turn to the actual cost of the last two loans. That of 1891 produced us a net cash amount of \$792,958. For this we pay total interest per annum \$29,100, or under 3½ per cent. In addition we pay 1 per cent. per annum sinking fund, and this 1 per cent. in fifty years pays off the gross amount of the loan. On the last loan raised, that of 1893, owing to the efforts of certain parties to decry the credit of the province, the expenses incurred were a little higher in proportion than for the loan of 1891, but in spite of all their efforts it sold at a higher rate than before, realizing 91. It was expected that we should have been able to raise this loan without having it underwritten or guaranteed, and we undoubtedly should have been able to do so, but for the fact that markets were in a very uncertain condition last year, and that just at the critical time some enemies, I might say traitors to the province, used their efforts to decry our character and the method of conducting the business of the province. In the face of this we thought it would be unsafe to issue the loan without a guarantee. This guarantee cost 2 per cent. But at the same time the guarantee probably enabled us to get a point higher on the market than we otherwise should. The net amount of this loan was \$524,170, and this costs us for interest about 3½ per cent. or, including sinking fund, which pays off the loan at maturity, under 4½ per cent. on the net amount of cash received. I have thus shown, sir, that we have made a large annual saving already by the conversion of the debt. I have also shown, though I have gone over the same ground on previous occasions, that our last loans, taking the net proceeds of them, cost us under 3½ per cent. interest, and we have to compare that with the cost in 1887 of 4½ per cent. interest. I am quite aware that there are some persons who will not be convinced on this subject, and it is of little use speaking to them.

As to the expenses attending the floating of the loans the report of the Public Accounts committee is somewhat misleading, as it places the discount of 9 per cent. below par as an expense, which it really is not. When we borrow, as in this case, at 91, what we borrow is not really \$100 but \$91, but we make ourselves liable for \$100, to be paid at the end of fifty years; in other words we get the use of \$91 for fifty years, at

a cost of little over 3 per cent. interest, but at the end of the time when we pay off the loan we give, in addition, a bonus of \$9. In order, however, that the repayment should be borne fairly by more than one generation we deposit \$1 yearly, and this invested at 4 per cent. pays off loan and bonus in little under 50 years. I say, therefore, that this discount is not an expense of floating the loan—it is simply an entry to show the total indebtedness. Deducting this \$53,995 from the expenses as given in the report \$77,862, it leaves the actual cost at \$23,867, or under four per cent., and this includes two per cent. for guarantees, which, but for circumstances I have already alluded to, would not have been incurred. It also includes cost for remittance from London to Victoria, \$2,088, and the payment to the British government of commutation stamp. This latter payment, however, enables the stock to be sold at a better price as all transfers are afterwards made free. The highest expense proportionately is that for printing, advertising and solicitors' fees, \$1,341, but had the loan been for double the amount it was, this charge would have been very little more. I have heard a gentleman during this session questioning the value of the financial plan that we have adopted, but he was evidently very much befogged on the situation as he asked if conversion of the debt was conversion of the sinking fund. Now what that question meant, or what that gentleman thought it meant, I have not yet found out. There are some, however, who still say that it is better to borrow at a higher rate of interest and get par value. They say you get so much more money at the time. When at par instead of receiving \$91 you receive \$100. We will briefly consider this matter once more. I have just shown that our 3 per cent. loan cost us really something under 3½ per cent. interest, that is we make ourselves liable for \$100 at the end of fifty years, and we receive only \$91, 3 per cent. on \$100 including expenses being under 3½ per cent. on \$91, but in order to borrow at par we should have to pay at least 3½ per cent. interest, and possibly more. Now suppose a farmer wanted to borrow, say \$5,000, and we will assume that he could do so on the same terms that the government does. In order to borrow at par he would have to pay four per cent. interest and one per cent. sinking fund, which would amount to \$250 a year, whereas if he borrowed at the low rate of three per cent. and one per cent. sinking fund he would at the rate of ninety-one in order to get net cash of \$5,000 have to make himself liable for \$5,495. His interest and sinking fund on this would amount to only \$219.80, thus showing an actual saving by the last method of \$30.60 per year, which would amount to a very handsome sum if compounded at four per cent. for fifty years;

that is, he would borrow \$5,000 cash and give a note due in fifty years for \$5,495 and save \$30.60 annually. I feel certain, however, that this matter is very greatly misunderstood, and there are certain gentlemen who I believe do understand it but who are trying to deceive the public. I could not but notice reports that have appeared in the public newspapers. I refer to the Times of Saturday, the 10th February; an article appears there headed "This is the way the money goes—another batch of vouchers for expenses of ministerial tours." And then follows the fourth report of the select committee on Public Accounts, a portion of which is as follows: "Premiums on conversion of \$151,500, \$113,577.30. Bonus for redemption \$57,157.25. Discount on £203,005 issued therefor, inscribed \$79,714.06. Expenses in connection with consolidation, commission, etc., \$14,545.27. Total, \$264,993.88." Now, sir, I do not know whether the editor of that paper was entirely ignorant of the meaning of this statement. I feel confident that the gentleman who furnished him with it was not so, but yet the heading of the article is an endeavour to make the public think that \$264,993 is cash spent by this government which, sir, is entirely false. The cash paid out of that amount is \$14,545. The other figures are simply book-keeping. No cash has been received or paid out for them. They merely represent the bonus and the discount on the conversion of the loan. The province makes itself liable for these sums to be paid at the end of fifty years, and for this payment, which is effected by the sinking fund of one per cent. annually, it has the use of the net cash received, as I have shown before, for less than $3\frac{1}{2}$ per cent., and has effected an actual saving of interest and sinking fund, including all this bonus, of over \$12,000 annually. Of course, this report is published with a view to endeavouring to make people think that we have expended that vast sum of money. I can hardly believe that the parties connected with the publishing of it can have been so ignorant as not to know that their statement gave a false impression. These gentlemen must know that in the conversion of say the 6 per cent. loan that we have to give the proportionate value for that loan in 3 per cent. debentures. For \$100 of the 6 per cent. loan we give a debenture payable in 50 years for \$140; but this \$140 is at 3 per cent. instead of 6 per cent. No money passes whatever, and it will be observed that we have 50 years in which to pay this extra \$40 which, as I have shown before, is effected by a 1 per cent. sinking fund. It will be seen, therefore, that we now have to pay annually on this original \$100 for interest and sinking fund five and three-fifths per cent, whereas before

it was changed we paid 8 per cent., and in addition to this we have released the sinking fund representing this \$100 which has been accumulating for several years for the benefit of the province. The other matters which appeared in this report of the Times, and are simply in relation to the travelling expenses of Ministers, are so paltry I do not propose to refer further to them. I cannot, however, let the subject pass without alluding to the remarkable method which is being pursued by the public accounts committee, or rather, I should say, a portion of the public accounts committee. As I understand it the object of such a committee is to examine generally into the public accounts of the province in a fair and straightforward manner, and if anything is found that is wrong to report the same; the reports should be made in an impartial manner, simply setting forth the actual state of affairs, which in fact is already before the public in the public accounts. I do not think, Mr. Speaker, that it is right for any member of this committee to endeavour to publish any report which would have the effect of misleading the public. I refer to this, sir, because the reports so far issued, similar to the one I have noticed as being published in the Times, though they are absolutely correct, are issued in such a detached manner as to be entirely misleading. Of course I know, Mr. Speaker, that there are three members of that committee who have no desire to mislead. They are honourable gentlemen, and they are quite willing that any statements which are vouched for by the accounts should appear. I notice, however, sir, that a report dated 5th February, 1894, is drawn up in the handwriting of the Hon. the Leader of the Opposition, and though its statements are correct, as far as they go, they are so carefully worded as to entirely mislead the public, one of the objects being to show that on the 31st December last the Government had an overdraft at the bank of some \$53,771.38, but no mention is made of the fact that must be known to the hon. compiler of the report, that on the 2nd January, two days after, the Dominion subsidy of \$120,000 was deposited. The actual facts of the case being that on the 31st December there was a special deposit at the bank of \$50,000 bearing interest at 4 per cent. If this sum had been withdrawn, interest on it would have been lost for one month. It was preferred, therefore, to have an overdraft at the bank for two days without interest, knowing that the subsidy would be here on the 1st January. The actual overdraft at bank was only \$25,345, a number of checks not being presented. There was also a special deposit at bank of the Public Buildings loan, \$525,909, drawing 4 per cent. interest. Then, sir, in this report as drawn up by the Leader of the Opposition special

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prominence is given to the fact that the Government had expended from the 1st July to the 31st December, 1893, \$794,547, and that the receipts during the same period were only \$334,241, and it goes on to state that therefore expenditure was over receipts \$460,305. Now this is perfectly correct, but it is to be noticed that the report leaves off just at the place where it would give a false impression to the public. It does not go on to state that three-fourths of the total expenditure for the year to the 31st June next had been made before the 31st December last, nor that of the revenue only a small portion had been collected, there being still to collect some \$724,270 before the 30th June next, and as is well known the largest part of this is paid during June; nor does the report say that at the commencement of the financial year there was some \$380,000 in hand to provide for these over expenditures. I think, sir, it is an unfortunate thing that any gentleman should have this tendency of telling half the truth. The correct showing would have been that the Government had expended of the amount voted \$794,547, up to the 31st December last, and would have to expend, according to the estimates, \$482,580 before the end of the fiscal year, whilst it had received of the revenue \$334,421, and had to receive before the end of the fiscal year \$724,270 more. This report, however, as drawn up by the leader of the opposition, was of course not presented to the house in the way it was originally drawn. It was amended evidently by one of the members of the committee from the Government side of the house. These gentlemen, we all know, had allowed the leader of the opposition to bring in a report, expecting, of course, it would be a fair one stating actual facts and in such a way as not to mislead, but they were evidently mistaken. The report as prepared by the leader of the opposition told part of the truth and was very misleading. It was, in fact, as so prepared, an electioneering document, so before being presented it was amended, the amendment being in a different handwriting from that of the body of the document, which, as I have before said, was written by the Hon. Mr. Beaven. The amendment reads as follows:

"It must be taken into consideration that the expenditures during the first six months of the fiscal year are always the heaviest, also the receipts for taxes are very small, the real estate, personal property, wild land, income and provincial revenue taxes are generally paid into the treasury during the month of June. Besides this we would draw your attention to the fact that the above expenditure includes the sum of \$53,905.05, being the discount on \$123,700 of inscribed stock sold in London."

This amendment gives an entirely differ-

ent complexion to the report. The discount, I may remark, has already been shown to have not been expenditure at all. The rest of the report, respecting expenses of ministers' travelling, would all appear in the public accounts in regular course. I notice by it, however, that the Provincial Secretary received an allowance for only a portion of the time he was away, viz., 67 days. His absence really extended over 120 days. I have referred before to the, I might say, scandalous and treacherous effort made to damage the credit of the province when the parliament building loan was to be floated. It was, of course, well known that a number of the extreme sectional men in the province, men who are constantly fanning the flame of sectionalism, and who, when they have got up an excitement about it, get frightened and try to withdraw and then accuse others of causing the trouble; I say it was well known that these men, the men who got up the now celebrated separation petition, but who are now so ashamed of it, and who have been all this session trying to excuse themselves for their action, but without success—the country does not excuse them—it is well known that some connected with these parties have publicly stated that they would do all that they could to injure the floating of the loan. I regret to say that their efforts had some effect. The Provincial Secretary who was in London at the time heard of their efforts and did what he could to counteract them. I have heard the idea that their evil endeavours had any effect ridiculed in this house. But gentlemen who doubt this forget the extreme sensitiveness of the market, to have it reported that the ministers carrying on the government were drunk and lying round Vancouver hotels, and that they were running the province in debt, and that the revenue was steadily declining, was likely to be damaging. I have been struck with an article on this very subject in the Journal of the Institute of Bankers of New South Wales, 18th July, 1893, entitled "Glimpses of the London money market." It reads as follows:

"Of the sensitiveness of the London market it is almost impossible to give an exaggerated description; and this is not to be wondered at when it is remembered that the world's monetary dealings are settled within a space over which a stone might almost be thrown. A breath sullies and a whisper tarnishes the best of stocks; nay it may almost be said the more excellent the stock the easier it is to sully it. Hardly old stocks like those of Turkey, well used to kicks and buffetings, are not to be further damaged, for the reason that they are too low priced already very well to go lower. This sensitiveness is not by any means confined to the Stock Exchange, but it is intimately associated with the other great divisions of the monetary world, viz., the

discount market, the short loan market and 'Change (the place where merchants 'most do congregate' for the purchase and sale of foreign exchange)—in other words the market for the adjustment of the collective dealings of Great Britain with the foreign countries of the world."

The agitators last year asserted that the revenue was declining, and I observe that the member for New Westminster repeats the assertion like a parrot. As to the revenue declining, I say in their case the wish is father to the thought. We have only to glance at the public accounts from 1886 to 1893. They stand as follows: \$537,385, \$598,252, \$698,055, \$959,248, \$1,020,002 and \$1,012,257—thus doubling in six years. Do these figures, Mr. Speaker, look like a falling off? The only decline appears in the last year. It is something under \$8,000, and is more than accounted for by the fact that the government gave up taxes in that year to recently formed municipalities of over \$35,000. This shows that even last year there was an increase in spite of the very depressed state of business, and it is further to be considered that the municipalities drawing that sum from us will now execute their own public works and correspondingly reduce the Government expenditure. I have spoken before of the net debt of the province, some \$2,129,178. As a set-off against this we have to consider the assets. I have referred to them arising from the works done the last seven years, amounting to over \$2,000,000, but we have, sir, beyond this the vast domain of the province still to be utilized, some 200 million acres; and the revenue to come from all the rising industries of the province. We have, too, in addition to our annual revenue of some \$1,000,000, a large amount of arrears of taxation, probably \$50,000. As has been already shown, we have borrowed in the last seven years some \$2,300,000. Of this \$575,000 is on hand drawing interest at 4 per cent. We have expended on public works during that time over two million dollars, the works resulting from this expenditure standing as valuable assets. These works have proved reproductive as is indicated by the increased revenue. In

addition we have assisted, by land grants and subsidies, various railways, and we have the satisfaction of knowing that through the assistance thus given we have already the Shuswap and Okanagan, the Nelson and Fort Sheppard, and the Columbia and Kootenay railways running; and the Nakusp & Shocan and the Victoria and Sidney are well under way. These are public works of a nature to open up the country, inducing settlement and so increasing revenue. These public works have been carried out in the last seven years without additional taxation of any importance, and in addition, our educational system has been kept fully up to the times, costing annually now about \$180,000. And our charitable institutions and hospitals have never been forgotten. Taking all these matters into consideration, I am impressed with the fact that much good work has been done by this and the previous Government. I am confident that the Province has been greatly enriched and improved by these works, and they are altogether independent of the legislative work, which has been vast during that period, but that I leave to the Attorney-General.

This, Mr. Speaker, is the last session of this Legislature, and it is hardly likely that we shall all meet here again. For my own part I have had about eight years' experience in this house, during which period I have found many friends amongst the members, and, I regret also to say that I have lost some friends. I may say we have all lost some good friends from amongst us; we treat the memory of these departed friends with reverence. This is the eighth time, Mr. Speaker, that I have had the honour to move this resolution, and it may be the last, as we have a general election to face shortly and who knows what will be the result. I feel confident, however, that whatever change there may be in the individuals that the present Government will be thoroughly sustained. I have to thank you, Mr. Speaker and all the members of this house, for the consideration and patience they have always extended to me, and have now the honour to move that you do leave the chair. (Great applause.)